Involvement of Film Stars/Businessmen in Hawala Transaction

398. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a recent probe into the dealings of the "Time Video Group" has revealed involvement of film stars and leading businessmen in Hawala transactions to meet their forex requirements during overseas trips;

(b) if so, the details thereof; and

(c) what action has been taken by Government in the matter?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) During the course of searches of the premises connected with M/s. Times Video and its partners, Income tax Department, Mumbai seized some documents relevant for investigations under Foreign Exchange Regulation Act, 1973. Investigations conducted by the Enforcement Directorate revealed some payments otherwise through authorised channels being carried on by the partners of M/s. Times Video, some film stars and businessmen.

(c) Action as envisaged under the law is proposed to be taken.

Corporate Communications Cell in Air India

399. SHRI NILOTPAL BASU: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the purpose of setting up the Corporate Communications Cell in Air India;

(b) the Annual Budget of the above mentioned Cell;

(c) whether it is a fact that suit pieces were distributed as part of Public Relations;

(d) if so, who were the beneficiaries;

(e) whether it is also a fact that 600 cakes were purchased from Narulas; and

(f) if so, what is cost of the same and the names of the beneficiaries?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) The Corporate Communications Cell was set up to meet the increasing need for effective internal & external communication.

(b) Budget provision of Rs. 10 lakhs was made for the Cell for the year 1995-96.

(c) to (f) 38 suit pieces and 200 cakes purchased at a cost of Rs. 55,000/- were distributed to important commercial contacts.

Revision of valuation rules by RBI

400. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has revised the valuation rules for divestment of unlisted or thinly-traded shares by foreign investors;

(b) if so, the reasons therefor; and

(c) the benefits NRIs are likely to get on account of revised valuation rules?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes, Sir. On the basis of the recommendations made by an informal expert group set up by Reserve Bank of India (RBI) consisting of representatives from Securities & Exchange Board of India, All India Financial Institutions, Professional accountants etc., RBI have announced revised valuation guidelines on 18th September 1996 for disinvestment of unlisted/thinly trade shares by foreign investors.

(c) Besides being more rational and in line with the current capital market trends, the revised guidelines introduce transparency and clarity in the valuation methodology thereby improving the investment environment for Non-resident Indian and other foreign investors.